

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
MARCH 14, 1996

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, March 14, 1996. Members present were Messrs. Mark Hasten, Chairman; R. Douglas Grant, Tony Zaleski, Norman Lowery and Mrs. Dee Godme. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Institutions; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Bank Analyst; Gina Williams, Bank Analyst; Mark K. Powell, Supervisor, Credit Unions; Donna Kaye, Assistant to Division Supervisor, Consumer Credit Division; Ronda Bailey, Administrative Secretary. Representing Indiana Members Trust Company were; Ron Collier, Mac Martin, Jim Bemish, Steve Hyatt, and Elizabeth Strum. Representing American National Trust and Investment Company was Connie Gustafson from Lowe, Gray, Steele & Darko. Board Member W. Paul Wolf was absent.

I. PUBLIC SESSION

- A.) Attendance**
- B.) Date of next meeting: May 9, 1996 at 9:00 a.m., EST.**
- C.) A motion was made for approval of the minutes of the meeting held February 8, 1996, by Mr. Zaleski and was seconded by Mr. Lowery. The minutes were unanimously approved.**
- D.) Director Phillips presented a resolution of appreciation for Daniel Leitch, III to the Members for approval. A motion for approval of the resolution was made by Mr. Grant and seconded by Mrs. Godme. The resolution was unanimously approved.**

DIVISION OF BANK AND TRUST COMPANIES

- A) Indiana Members Trust Company, Indianapolis, Marion County, Indiana**
Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the application to the Members. Mac J. Martin, as incorporator, applied to the Department for approval to form a State-chartered corporate fiduciary to be known as Indiana Members Trust Company ("Indiana Members"). Indiana Members would be a non-depository corporate fiduciary which will be a Credit Union Service Organization ("CUSO") of Indiana Federal Credit Union, Indianapolis, Marion County, Indiana ("Indiana Federal"). Indiana Members Financial Services, Indianapolis, Marion County, Indiana ("Indiana Financial"), a wholly-owned CUSO of Indiana Federal would be the sole shareholder of Indiana Members.

The proposed corporate fiduciary plans to provide personal trust and employee benefit services. Indiana Members will operate one office located at 1901 Broad Ripple Avenue, Indianapolis, Indiana. The proposed corporate fiduciary expects to have an initial staff of three individuals, which will include one full-time officer, one part-time officer and one part-time clerical. Mr. Martin will serve as Director, President, and CEO for Indiana Members. James W. Beamish will serve as Trust Officer responsible for the day-to-day operation of the corporate fiduciary. Mr. Beamish has twelve (12) years trust experience. Both Mr. Martin and Mr. Beamish are attorneys.

Mr. Schreiber explained that effective July 1, 1995, Indiana Code 28-14 was enacted to provide for corporate fiduciaries. A corporate fiduciary is a financial institution whose primary purpose is to engage in the trust business and the execution and administration of fiduciary accounts. Indiana Federal proposes to offer fiduciary services through Indiana Members under this new legislation and specifically under IC 28-14-3-24 which allows a credit union or a group of credit unions to establish a CUSO that is a corporate fiduciary. Mr. Schreiber reported to the Members, that the Department staff had contacted the National Credit Union Administration ("NCUA") on the permissibility of this activity and received a letter from Nicholas Veights, Chicago Regional Director for NCUA offering no objection to the application as long as CUSO Rules and Regulations were met. Mr. Veight's letter also indicated that the Office of General Counsel for NCUA took no exception to the permissibility of state chartered trust companies as CUSO's.

Indiana Members would provide a variety of fiduciary services; however, the emphasis would be placed on 403(b) employee benefit plans. Indiana Federal believes that within the Indiana Credit Union System there is a strong demand for trust services. While there exists a formidable number of trust providers in the central Indiana market, none of the providers are directly addressing the credit union market. Indiana Members business plan states they would target credit union members in Central Indiana; however, the proposed corporate fiduciary would be open to the public and would accept any non-member account. Indiana Members provided information to support their position that the population growth, industry of the area, wealth, existing financial services, local opinion and other factors met the statutory requirements for convenience and needs pursuant to IC 28-11-5-4 and that there is a public necessity for a corporate fiduciary in central Indiana as a whole and in the credit union community in particular.

Mr. Schreiber discussed the information that had been distributed including the incorporators, directors and officers profiles, financial projections and capitalization. Mr. Schreiber noted there were no unfavorable responses during the background investigations of the incorporators, directors and officers. Funding for the capitalization will come from Indiana Federal through Indiana Financial as sole shareholder. The applicant proposed

\$1,500,000 in working capital for the corporate fiduciary. Asset and income projections were considered by the staff of the Department to be reasonable and somewhat conservative. In addition, Mr. Schreiber discussed the proposed insurance coverage of the corporate fiduciary,

the proposed CPA annual audit and the agreement between the Department and Indiana Members committed to by Mac Martin on behalf of Indiana Members concerning the terms and conditions relating to the Department's supervision.

Based upon the investigation conducted by the staff of the Department, and the information submitted with the application, it was the staff's recommendation that the provisions of IC 28-11-5-4 has been met and approval was recommended.

After Mr. Schreiber's presentation, several questions and concerns were raised about the application by the Members. The discussion was led by Mr. Grant, and Mr. Hasten. The following questions and concerns were discussed by the Members, the staff, and the individuals present representing Indiana Members.

- 1) The common bond of the credit union and Acceptance of non-member customers.
- 2) The ability of the parent company to provide additional capital in the event of anticipated losses.
- 3) The apparent contradiction between the Federal and State law requirement that a Credit Union service organization serve primarily its members and the state law requirement that a corporate fiduciary serve the convenience and needs of the community.
- 4) Issue of primarily serve 50%+1/NCUA regulations on CUSO's

Mr. Lowery made a motion for approval which was seconded by Mrs. Godme. Based on the concerns of the Members, the application was denied 3-2. Mr. Hasten, Mr. Grant and Mr. Zaleski voted against the application and Mr. Lowery and Mrs Godme voted for the application.

B) American National Trust and Investment Management Company, Muncie, Delaware County, Indiana

An application was filed March 1, 1996, American National Trust and Investment Company("American National Trust"), for a change of control of Northern Indiana Trust Company, Fort Wayne, Allen County, Indiana, pursuant to IC 29-1-2-23.

American National Trust is a nationally chartered trust company and is a wholly-owned subsidiary of American National Bank and Trust Company of Muncie, Muncie, Indiana, ("American National"). American National is a wholly-owned subsidiary of ANB Corporation, Muncie, Indiana, ("ANB"), a \$484 million multi-bank holding company.

This transaction arises from the desire of American National Trust to acquire Northern as a means to expand its trust business. As a part of the transaction American National Trust contemplates the transfer of Northern's trust business. In order to accomplish this transfer of trust business, the transaction must comply with IC 28-2-14-18 which authorizes a holding company to cause the transfer of fiduciary powers from one Indiana affiliate it controls to another Indiana affiliate controlled by the holding company. Northern intends to qualify as an Indiana affiliate of ANB by allowing a majority of its directors to also be a majority of the directors of an entity controlled by ANB. As a result of American National trust directors

comprising a majority of Northern's board, American National Trust is considered pursuant to IC 28-1-2-23 to have direct control of the management and policies of the corporate fiduciary.

Mr. Schreiber discussed the criteria for a change of control and how American National Trust met those requirements. The staff recommended approval. Mr. Grant made a motion for approval which was seconded by Mr. Lowery. The motion to approve the change of control was unanimously approved.

C) Northern Indiana Trust Company, Fort Wayne, Allen County, Indiana

Northern Indiana Trust Company ("Northern") submitted a resolution by its Board of Directors, effective March 11, 1996, which sets forth Northern's intentions to sell certain assets of the corporate fiduciary to American National Trust and Investment Management Company, Muncie, Indiana. Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the resolution to the Members pursuant to IC 28-1-8. This transaction will occur with the condition that Northern will undertake a voluntary dissolution in accordance with the provisions of IC 29-1-9. Mr. Grant made a motion for approval which was seconded by Mr. Zaleski. The resolution was unanimously approved.

D) Northern Indiana Trust Company, Fort Wayne, Allen County, Indiana

Northern Indiana Trust Company ("Northern ") through its Board of Directors, adopted a resolution to liquidate its affairs and dissolve the institution in a manner prescribed in IC 28-1-9. Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. The resolution must be submitted to and approved by the Department before the resolution is submitted to a vote of the shareholders of the corporation. The resolution was adopted by Northern's Board of Directors March 11, 1996. Upon submitting the resolution, the Department must determine if the corporation is solvent, or that it has sufficient assets to pay all of its depositors and all other liabilities. If the corporation is found to be solvent, pursuant to IC 28-1-9-3, the department may approve the dissolution and can authorize the board to submit the question of dissolution to the shareholders. Mr. Schreiber reported to the Members that based on the financial statements submitted by Northern and a recent examination of the institution, Northern is considered to be solvent. Mr. Grant made a motion for approval which was seconded by Mr. Zaleski . The resolution was unanimously approved.

E) Anthem Trust & Asset Management, Inc., Indianapolis, Marion County, Indiana

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented the Articles of Dissolution filed by Anthem Trust & Asset Management, Inc. ("Anthem"). Mr. Schreiber reported that the liquidating agent of Anthem has submitted an application for the conclusion of the liquidation proceeding. If approved by the Department the liquidating agent will file the Articles of Dissolution with the Marion Circuit Court to obtain an order for the conclusion of the proceeding. Anthem will then file its Articles of Dissolution with the Secretary of the State. The Members previously approved Anthem's Board Resolution stating Anthem's intentions to voluntarily dissolve the corporation on October 12, 1995. The question before the

Members was whether the Department approves of the proposed Articles of Dissolution. Mr. Zaleski made a motion for approval which was seconded by Mrs. Godme. The motion to approve the Articles of Dissolution was unanimously approved.

DIVISION OF CONSUMER CREDIT

- A) Donna R. Kaye, Assistant to the Division Supervisor, Consumer Credit Division, presented to the Members a proposed regulation to the Indiana Uniform Consumer Credit Code and asked for the Members approval. Ms. Kaye explained that the regulation would change various dollar amounts which exist in the UCCC. Such changes become effective July 1, 1996 and are based on CPI of 153.3 as of December 31, 1995. Code dollar amounts will increase 10% of the original dollar amount. A motion for approval was made by Mrs. Dee Godme and seconded by Mr. Lowery. The request was unanimously approved and will be made part of the official minute book.

DIRECTOR'S COMMENTS AND REQUESTS

- A) The staff requested that the Members approve the liquidating agent required in IC 28-1-9-5 be delegated to the Director of the Department in order to expedite the liquidation process. A motion for approval was made by Mrs. Godme and seconded by Mr. Lowery. The request was unanimously approved.
- B) The staff requested that the Members approve the Articles of Dissolution required in IC 28-1-9-15 be delegated to the Director of the Department. A motion for approval was made by Mrs. Godme and seconded by Mr. Lowery. The request was unanimously approved.
- C) **PEOPLES BANK & TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**
The bank notified the Department that they have closed their branch banking office which was known as "North Main Street Branch" located at 1320 North Main Street, Mt. Vernon, Posey County, Indiana. The office was closed on February 29, 1996 at 6:00 P.M. This item was for informational purposes only.
- D) Mr. Phillips, Director, advised the Members of actions taken pursuant to delegated authority and asked for any questions of clarifications of the actions, which are as follows:

BANK DIVISION

1.) LAFAYETTE BANK & TRUST COMPANY, LAFAYETTE, TIPPECANOE COUNTY, INDIANA

The bank has applied for approval to establish a full service branch banking office to be located at 1904 Elmwood, Lafayette, Tippecanoe County, Indiana. The application was received on January 23, 1995, and will be known as "Lafayette Bank & Trust Company." The proposed branch, which will be located in a Pay Less Super Market, and occupy 414 square feet. The proposed branch includes three teller stations and one manager's office. The bank will be leasing the space from Pay Less Super Markets, Inc., Anderson, Indiana with an annual rental of \$15.6M for the first five years, \$18M for the next five years, and \$20.4M for the eleventh through fifteenth years. It is estimated that there will be \$189M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are estimated at \$58M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of December 31, 1994. The bank's three-year average ROA is 1.02%. As of September 30, 1995, the Tier I leverage capital ratio is 9.18%. The investment in total fixed assets to total capital will increase from 14.95% before the bank's proposed branch to 15.65% following the establishment of the proposed branch. This will be the institution's twelfth branch. The request was approved by the Director under Delegated Authority on February 7, 1996.

2.) THE NEW WASHINGTON STATE BANK, NEW WASHINGTON, CLARK COUNTY, INDIANA

The bank has applied for approval to establish a full service branch banking office to be located at 430 West Water Street, Borden, Clark County, Indiana. The application was received on December 27, 1995, and will be known as "Borden Branch of the New Washington State Bank." The proposed branch includes five teller stations, four offices, one drive-thru and an ATM. The bank will purchase the property for \$92M. The estimated cost for improvements is \$129M. Furniture, fixtures, and equipment costs are estimated at \$123M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of December 31, 1994. The bank's three-year average ROA is 1.43%. As of September 30, 1995, the Tier 1 leverage capital ratio is 7.76%. The investment in total fixed assets to total capital will increase from 19.96% to 24.43% following the establishment of the proposed branch. This will be the institution's third branch. The request was approved by the Director under Delegated Authority on February 7, 1996.

3.) CITIZENS BANK OF CENTRAL INDIANA, GREENWOOD, JOHNSON COUNTY, INDIANA

The bank has applied for approval to establish a full service branch banking office to be

located in the lower level of the main building in a retirement community called Greenwood Village South. The address of the branch will be 295 Village Land, Greenwood, Johnson County, Indiana. The application was received on February 7, 1996, and the branch will be known as "Greenwood Village Office." The proposed branch will occupy 864 square feet and will include a private office, an account opening desk and two sit down teller windows. The bank will be leasing the space from Westminister Village Greenwood, Inc. Lease payments will be based on outstanding branch deposits at the anniversary date of the lease using the following: 0-\$5 million - \$1,000 per month, \$5-\$7.5 million - \$1,250 per month, \$7.5 million-\$10 million - \$1,500 per month, and \$10 million and above - \$1,750 per month. Furniture and fixtures are included in the lease. The cost of additional equipment is estimated at \$12,000. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of March 31, 1995. The bank's three-year average ROA is 1.41%. As of September 30, 1995, the Tier I leverage capital ratio is 6.99%. The investment in total fixed assets to total capital will increase from 24.71% before the bank's proposed branch to 24.75% following the establishment of the proposed branch. This will be the institution's eighteenth branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

4.) **SPRINGS VALLEY BANK & TRUST COMPANY, FRENCH LICK, ORANGE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at 614 East Water Street, Borden, Clark County, Indiana. The application was received on January 31, 1996, and will be known as "Springs Valley Bank & Trust Company - Borden Office." The proposed branch includes three teller stations, one office, one drive-thru and an ATM. The bank will purchase the land and building, personal property and a customer list from PNC Bank, Indiana, Inc. for \$225M. The purchase price is broken down as follows: 1) land and improvements - \$90M, 2) personal property - \$115M, and 3) customer list - \$20M. The estimated cost for improvements is \$5M. Additional fixtures and equipment costs are estimated at \$50M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of December 31, 1994. The bank's three-year average ROA is 0.81%. As of September 30, 1995, the Tier 1 leverage capital ratio is 7.95%. The investment in total fixed assets to total capital will increase from 18.63% to 20.22% following the establishment of the proposed branch. This will be the institution's fourth branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

5.) **FIRST OF AMERICA BANK - INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

A total of five applications have been received from the bank for permission to establish branch banking offices inside Meijer Retail Stores throughout central Indiana. The first of the proposed branches was received on January 23, 1996, the remaining four branches were received February 23, 1996. These five applications are almost identical in nature. No insider

relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of March 31, 1995. The bank's three-year average ROA is 0.81%. As of September 30, 1995, the Tier 1 leverage capital ratio is 6.97%. The investment in total fixed assets to total capital will increase from 17.29% before the addition of the five proposed branches to 18.12% following the addition of the five proposed branches.

The first branch will be known as Southport Meijer Office and will be located at 5225 Southport Road, Indianapolis, Marion County, Indiana. The proposed branch is a 620 square foot, three room office inside a Meijer Retail Store. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Meijer Inc., Grand Rapids, Michigan, with an annual rental of \$49,600. Furniture, fixtures and equipment costs are approximated at \$190M. This will be the institution's sixtieth branch. The request was approved by the Director under Delegated Authority on March 1, 1996

6.) **FIRST OF AMERICA BANK - INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The second branch will be known as Greenwood Meijer Office and will be located at 72 North state Road 135, Greenwood, Johnson County, Indiana. The proposed branch is a 446 square foot, three room office inside a Meijer Retail Store. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Meijer Inc., Grand Rapids, Michigan, with an annual rental of \$35,680. Furniture, fixtures and equipment costs are approximated at \$190M. This will be the institution's sixty-first branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

7.) **FIRST OF AMERICA BANK - INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The third branch will be known as Carmel Meijer Office and will be located at 1425 West Carmel Drive, Carmel, Hamilton County, Indiana. The proposed branch is a 446 square foot, three room office inside a Meijer Retail Store. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Meijer Inc., Grand Rapids, Michigan, with an annual rental of \$35,680. Furniture, fixtures and equipment costs are approximated at \$190M. This will be the institution's sixty-second branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

8.) **FIRST OF AMERICA BANK - INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The fourth branch will be known as Rockville Road Meijer Office and will be located at 10841 East U.S. 36, Avon, Hendricks County, Indiana. The proposed branch is a 446 square foot, three room office inside a Meijer Retail Store. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Meijer Inc., Grand Rapids, Michigan, with an annual rental of \$35,680. Furniture, fixtures and

equipment costs are approximated at \$190M. This will be the institution's sixty-third branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

9.) **FIRST OF AMERICA BANK - INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The fifth branch will be known as Pike Plaza Meijer Office and will be located at 5349 Pike Plaza Road, Indianapolis, Marion County, Indiana. The proposed branch is a 446 square foot, three room office inside a Meijer Retail Store. It includes a total of four teller stations, one office and one security room. The applicant is leasing the space from Meijer Inc., Grand Rapids, Michigan, with an annual rental of \$35,680. Furniture, fixtures and equipment costs are approximated at \$190M. This will be the institution's sixty-fourth branch. The request was approved by the Director under Delegated Authority on March 1, 1996.

10.) **CENTIER BANK, WHITING, LAKE COUNTY, INDIANA**

The bank has applied for approval to relocate a branch banking office from 8183 109th Avenue, Crown Point, Lake County, Indiana, to 8020 East 109th Avenue, Crown Point, Lake County, Indiana. The name of the branch will remain Lake of the Four Seasons Office. The proposed site is a 2,200 square foot, one story frame with stucco exterior building. It includes a total of six teller stations, four interior and two drive-thru. The current branch location has limited space, parking facilities and traffic flow, and does not have a drive-thru.

The bank is leasing the current branch. The bank purchased the property from Winfield Acquisitions, Inc., Chicago, Illinois for \$275M on January 16, 1996. The estimated cost for constructing the branch is \$400M. In addition, furniture, fixtures, and equipment costs are estimated at \$125M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a examination conducted by the DFI as of September 30, 1995. The bank's three-year average ROA is 1.15%. As of September 30, 1995, the bank's Tier 1 leverage capital ratio is 6.25%.

The investment in total fixed assets to total capital will increase from 16.12% before the proposed relocation to 18.12% following the proposed relocation. The request was approved by the Director under Delegated Authority on March 1, 1996.

11.) **VALLEY AMERICAN BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank has asked for an extension for the establishment of its proposed branch located at 2014 Lincolnway East, Goshen, Elkhart County, Indiana. The branch is to be known as Martin's - Goshen Banking Center. The branch was approved under delegated Authority on December 16, 1994. Due to a legal proceeding against Martin's Supermarket, the renovation of the supermarket and branch facility have been delayed. The bank was unable to open the branch within one year of the department's approval and has asked for an extension until December 31, 1996. The request was approved by the Director under Delegated Authority March 1, 1996.

12.) **CLINTON STATE BANK, CLINTON, VERMILLION COUNTY, INDIANA**

The bank has applied for approval pursuant to IC 28-13-4-3(b) for payment of dividends in 1996 which are anticipated to exceed that allowed by statute. The bank is requested approval to pay dividends in 1996 of \$600,000 (\$150,000 per quarter) based on projected earnings of \$702,000. The bank is requested this dividend payout in order to keep capital at approximately 9.5%. As of December 31, 1996, the bank's tier one leverage capital ratio is 9.49%. A pro-forma balance sheet as of 12/31/96 reflects a tier one capital to total assets ratio of 9.56%. The bank received a satisfactory CAMEL rating as a result of an DFI examination as of June 30, 1995. ROA for 1995 is 1.13%. The bank's three-year average ROA is 1.18%. The request was approved by the Director under Delegated Authority on March 1, 1996.

13.) **BANK OF GENEVA, GENEVA, ADAMS COUNTY, INDIANA**

The bank has applied to the Department for permission to amend Section (d) of its Articles of Incorporation. The amendment will allow the bank to increase its number of shares of capital stock authorized from 224,000 shares to 240,000 shares, the par value of which will remain at \$10.00 per share. This increase of 16,000 shares was due to a proposed 7% stock dividend to present shareholders. The 7% increase will actually increase the number of shares by 15,680. The remaining 320 shares will be sold to the current shareholders, whom after the stock dividend, have accumulated fractional shares. These shares will be sold at the equivalent fraction of book value to the fractional shares purchased. This institution has used this type of amendment to the Articles of Incorporation the past several years. The request was approved by the Director under Delegated Authority on March 1, 1996.

DIVISION OF CONSUMER CREDIT

- 1.) Steve Arnold d/b/a KC Company is requesting a consumer loan license. He will have three (3) branch locations. All locations are in Indianapolis. He is obtaining this license to make short-term, pay-day, type loans. He is aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 2.) Steve Arnold d/b/a KC Company is requesting a check cashing license. He will have three (3) branch locations. All locations are in Indianapolis. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 3.) A request for a consumer loan license is being made by The First National Mortgage Exchange, Inc. of Culver City, California. They are currently licensed in 27 states. They will be making second mortgage loans in Indiana using local title companies or attorneys for closing. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on February 7, 1996.

- 4.) Tomcats Pawn, Inc. is requesting a consumer loan license. They are based in Bloomington. They are currently licensed as a pawnbroker. They are obtaining this loan license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 5.) A request for a consumer loan license is being made by Meredith Lloyd d/b/a Fastcash USA. He will be located in Muncie. He is obtaining this license to make short-term, pay-day, type loans. He is aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. Mr. Lloyd has been in the finance business over twenty years. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 6.) Advanced Financial Services, Inc. is requesting a consumer loan license. They are based in East Providence, Rhode Island. They will be making second mortgage loans in Indiana using local title companies for closing. They currently operate in six states. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 7.) A request for a money transmitters license is being made by First Merchants Bank, N.A. They are based in Muncie. They are selling money orders through non-bank agents (delegates) and as such are subject to the requirements of the Money Transmitter Act. They have 76 authorized agents with locations totaling 476. These are mostly grocery or convenience stores. They were unaware of the requirements of the Money Transmitter Act until contacted by this Department. It is recommended that the license issued. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 8.) Harris Financial Group, Inc is requesting a consumer loan license. They are based in Troy, Michigan. They will be making second mortgage loans using local title companies for closing. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 9.) Lana Arnold Cruz d/b/a The Heldup Check is requesting a consumer loan license. She will be operating in Terre Haute. She will be making short-term, pay-day, type loans. She is aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 10.) Personal Check Advance Corporation is requesting a consumer loan license. They are based in Indianapolis. There will be one branch location in Terre Haute. They will be making short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on February 7, 1996.

- 11.) A consumer loan license is being requested by Pawn-It, Inc. They are based in Terre Haute and are currently licensed as a pawnbroker. The consumer loan license is being obtained to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on February 7, 1996.
- 12.) A request for approval of a guaranteed auto protection (GAP) agreement by Galt Enterprises of Cleveland, Ohio acting on behalf of John Jones GM City of Salem. The agreement will provide standard GAP coverage for instances where the car is totaled in an accident or stolen and not recovered. It includes the customer's deductible up to \$500. There is a contractual liability policy issued through Progressive Insurance/United Financial Casualty which has been approved by the Indiana Department of Insurance. There is a rebate upon prepayment based on a "Rule of 78'ths" type refund. Galt has agreed to send the 132 customers who had agreements written prior to approval by this Department a new agreement with all the applicable wording including a new 30 day "free-look" period. The customer will be given the option of retaining the coverage or requesting a credit to their account. If an account is paid off, they will be given a full refund unless a claim has been paid. The charge for the GAP program will not exceed \$420. Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202(1)(c). The request was approved by the Director under Delegated Authority on February 7, 1996.
- 13.) Dale, Inc. d/b/a Quick Cash is requesting a consumer loan license. Applicant will have one (1) location in Bloomington. They are obtaining the license to make short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 14.) Dale, Inc. d/b/a Quick Cash is requesting a check cashing license. Applicant will have one (1) location in Bloomington. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 15.) Kenneth R. Calkins d/b/a Mr. Payday is requesting a consumer loan license. Applicant will be located in Jeffersonville. There will be one (1) location. He is obtaining the license to make short-term, pay-day type loans. He is aware of the disclosure requirements, maximum rates, etc. in regards to this special type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 16.) Kenneth R. Calkins d/b/a Mr. Payday is requesting a check cashing license. It is recommended

that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.

- 17.) Ameripawn, Inc. is requesting a check cashing license. They are based in Valparaiso. There will be branch locations in Lake Station, LaPorte, and Crown Point. Applicant is currently licensed under a loan license as well as a pawnbroker license at the above locations. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 18.) Consumer Acceptance Corporation has applied for a loan license. They are owned by Old National Bancorp of Evansville. The exact location of the office(s) has yet to be determined. They will be making second mortgage loans and purchasing retail installment sales contracts. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 19.) Donald Weber Mortgage Company, Inc. has applied for a loan license. They are based in Highland. Currently they are making first mortgage loans. The license is being obtained for possible future use in second mortgage lending. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 20.) Equivantage, Inc. has applied for a loan license. They are based in Houston, Texas. They will be making second mortgage loans in Indiana using local title companies for closing. They currently operate in three (3) states. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 21.) Fieldstone Mortgage Company is requesting a loan license. They are based in Baltimore, Maryland. They will be making second mortgage loans in Indiana using title companies for closing. They are currently operating in two (2) states. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 22.) American Mortgage & Financial Services, Inc. d/b/a American Liberty Mortgage is requesting a loan license. They will have a location in Indianapolis. There will be no branches. They currently operate in three (3) states. The loans to be made are second mortgages, FHA Title I. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 23.) Check-N-Go of Indiana, Inc. is requesting a consumer loan license. They are based in Covington, Kentucky. The exact location in Indiana for their office has not been determined.

The applicant will be making short-term, pay-day, type loans. They are aware of the disclosure requirements, maximum rates, etc. in regards to this type of loan. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.

- 24.) J.Stevens, N. Stevens, H. Stevens d/b/a Triple S Pawn Shop is requesting a pawnbroker license. They will be located in Greencastle. There are no other pawnshops in Greencastle. A personal interview was made with the applicants. Neither Deputy Director Goddard or Supervisor Tarpey have any problem with the apparent intentions or honesty of the applicant. They are fully aware of all requirements under the statute. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 25.) Personal Check Advance Corporation is requesting a check cashing license. They are based in Indianapolis and will have one (1) location in Terre Haute. They are currently licensed to make pay-day loans. All references are in order. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on March 4, 1996.
- 26.) Phyllis Walters d/b/a Bob's Trading Post is requesting a pawnbroker license. She will be located in Kokomo. There are currently two (2) other pawnshops in Kokomo. A personal interview was made with Mrs. Walters. Neither Deputy Director Goddard or Supervisor Tarpey have any problem with the apparent intentions or honesty of the applicant. She is fully aware of all requirements under the statute. Mrs. Walters has operated a buy-sell business in Kokomo since 1992. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on March 4, 1996

DIVISION OF CREDIT UNION

- 1.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**
Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union: The request was approved by the Director under Delegated Authority on February 1, 1996.

Rice Farms - Wanatah - 3 members

Tri-County Electric - South Bend - 2 members

LW Catering Services - Culver - 5 members

Meyer & Najem, Corp. - Indianapolis - 53 members

Meridian Nursing Center - River Park - South Bend - 42 members

Enveromental and Production Solutions, LLC - South Bend - 2 members

Devan & Associates, LTD d/b/a Fast Eddies - Hobard -12 members

Marshall Farmers Mutual Insurance Co. - Plymouth - 10 members

O'Keefe Auditing - Indianapolis - 1 member

Embry-Riddle Aeronautical University - Indianapolis - 25 members

2.) **MARTIN COUNTY FARM BUREAU COOPERATIVE CREDIT UNION,
LOOGOOTEE, MARTIN COUNTY, INDIANA**

Request for approval of an application to change the name of the Credit Union to Martin County Cooperative Credit Union, and to amend the field of membership to allow members of organizations affiliated with the Farm Bureau Cooperative to join the Credit Union. The request was approved by the Director under Delegated Authority on February 15, 1996.

3.) **ANDERSON POST OFFICE CREDIT UNION, ANDERSON, MADISON COUNTY,
INDIANA**

Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union: The request was approved by the Director under Delegated Authority on February 26, 1996.

Nuce's Marathon - Anderson - 8 members

4.) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union: The request was approved by the Director under Delegated Authority on February 26, 1996.

Jedele Enterprises, Inc. - Greencastle - 85 members

XTC Conversions, Inc. - Elkhart - 9 members

Ironwood United Pentecostal Church - South Bend - 404 members

DHE, Inc. - Crawfordsville - 160 members

Midland Engineering Company, Inc. - South Bend 350 members

Greater New Zion M.B. Church - Indianapolis - 14 members

Angel Light - Mishawaka - 6 members

Murray real Estate - Knox - 9 members

CPR Resources, Inc. - Elkhart - 2 members

Optioncare of Northern Indiana - Elkhart - 25 members

CMS Management Services Company - South Bend - 52 members

Town of Hebron - Hebron - 31 members

Stellite Coatings - Goshen - 6 members

Electrical Enterprises, Inc. - Indianapolis - 12 members

5.) **ELKHART COUNTY FARM BUREAU CREDIT UNION, GOSHEN, ELKHART COUNTY, INDIANA**

Request for approval of a petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union: The request was approved by the Director under Delegated Authority on February 29, 1996.

Progressive Engineering, Inc. - Goshen - 55 members
Behlen Manufacturing Company - Goshen - 250 members

6.) **INDIANAPOLIS POWER & LIGHT COMPANY EMPLOYEES CREDIT UNION, INDIANAPOLIS, MARION COUNT, INDIANA**

Request for approval of an application to change the definition of employee contained in the field of membership of the Credit Union from "...Any probationary, regular or retired employee..." to "...Any active or retired employee..." The request was approved by the Director under Delegated Authority on February 29, 1996.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

Mark Hasten, Chairman

ATTEST:

J. Philip Goddard, Secretary